

Message Text

SECRET

PAGE 01 TOKYO 12211 112324Z
ACTION SS-25

INFO OCT-01 ISO-00 SSO-00 /026 W
-----107477 112328Z /45
O 111305Z AUG 77
FM AMEMBASSY TOKYO
TO SECSTATE WASHDC NIACT IMMEDIATE 0111

S E C R E T TOKYO 12211

EXDIS

C O R R E C T E D C O P Y - T E X T (P A R A S 1 A N D 6)

E.O. 11652: XGDS-3
TAGS: MARR, ESTC, JA, US, UR
SUBJECT: FORESTALLING ACQUISITION OF SOVIET DEEP SEA SEARCH
CAPABILITY

REF: STATE 189640

1. EC MINISTER AND EMBOFF WESTMORE HAD EXTENSIVE CONVERSATION AFTERNOON AUGUST 11 WITH S. SHIMIZU, VICE PRESIDENT INTERNATIONAL OPERATIONS GROUP NEC AND AMAGAI. NEC OFFICIALS CAREFULLY REVIEWED HISTORY OF TRANSACTION STRESSING THEIR COMPLIANCE WITH U.S. AND JAPANESE REGULATIONS AND THEIR SURPRISE THAT RECENT COMPLICATIONS HAD ARISEN.
2. NEC OFFICIALS STRESSED THAT THEY UNDERSTAND SECURITY IMPLICATIONS INVOLVED AND THAT THEY HAVE NO INTENTION OF PERMITTING SOVIET INSPECTORS TO VIEW DSS-125 OR TO PERMIT ITS INSTALLATION IN SOVIET VESSEL.
3. AT THIS PRESENT FIRST STAGE, NEC FEELS IT MUST HAVE PLAUSIBLE COMMERCIAL OR TECHNICAL GROUNDS FOR TELLING CUSTOMER WHY THEY ARE
SECRET

SECRET

PAGE 02 TOKYO 12211 112324Z

UNABLE TO DELIVER PRODUCT ORDERED. THEY STRONGLY URGE THAT HYDRO PRODUCTS SEND THEM TELEX IMMEDIATELY STATING THAT PRODUCT SUPPLIED WAS DEFECTIVE. THEY SAY, HOWEVER, THAT THEY WOULD BE WILLING TO USE ANY OTHER PLAUSIBLE EXCUSE THAT IS LIKELY TO BE CREDIBLE WITH SOVIET CUSTOMER WHICH HYDRO MIGHT SEND THEM.

4. AT SECOND STATE, AS PRIVATE BUSINESS, NEC IS MUCH CONCERNED AT POSSIBILITY THAT SOVIET CUSTOMER WILL EXERCISE PROVISIONS OF CONTRACT WHICH PROVIDE FOR SUBSTANTIAL PENALTIES IN CASE OF DELAYS OR NON-PERFORMANCE OR EVEN THAT THEY MIGHT CANCEL ENTIRE CONTRACT. THEREFORE UPON RECEIPT OF SOVIET REACTION TO NEWS THAT NEC UNABLE TO DELIVER PRODUCT ORDERED OR ANY ACCEPTABLE SUBSTITUTE THEREFORE, THEY WISH TO HAVE ASSURANCES FROM HYDRO PRODUCTS THAT THEY WILL COMPENSATE NEC FOR DAMAGES SUFFERED. AS PRIVATE ENTERPRISE, NEC UNWILLING RELEASE SYSTEM UNTIL THIS LATTER CONDITION MET.

5. EMIN TOLD NEC OFFICERS HE UNDERSTOOD THEIR DESIRE FOR PLAUSIBLE TECHNICAL GROUNDS TO PASS ON TO SOVIETS AS REASON FOR INABILITY TO SUPPLY PRODUCT ORDERED AND THAT HE WOULD SEEK PROMPT USG ACTION TO HAVE HYDRO PRODUCTS SEND FIRST STAGE TELEX AS DESCRIBED IN PARA 3 ABOVE AND THAT HE WOULD URGE PROMPTTEST NOTIFICATION OF WHAT SUBSTITUTE COULD BE SUPPLIED AND WHEN. EMIN SAID THAT REGARDING SECOND STATE, WHILE SOME MIGHT UNDERSTAND BUSINESSMAN'S WISH TO HAVE GUARANTEE AGAINST LOSSES THAT MIGHT ENSUE HE FELT MANY IN USG WOULD BE UNABLE UNDERSTAND ANY NEC UNWILLINGNESS TO RETURN SYSTEM TO U.S. CUSTODY. HE ASKED THAT CONFIRMATION OF NEC POSITION BE OBTAINED FROM NEC CHAIRMAN KOBAYASHI. SHIMIZU THEN CONFERRED EXTENSIVELY WITH CHAIRMAN AND RETURNED TO REITERATE
SECRET

SECRET

PAGE 03 TOKYO 12211 112324Z

POSITION SET OUT ABOVE.

EMBASSY RECOMMENDATIONS:

6. WE ARE CONFIDENT THERE IS NO DANGER NEC WILL RELEASE SYSTEM TO SOVIETS OR GIVE THEM ANY ACCESS TO IT. FURTHER, WE FEEL THAT TO INVOLVE GOJ OFFICIALLY BY A HIGH-LEVEL APPROACH IS LIKELY TO COMPLICATE THE TASK OF WORKING OUT A SOLUTION, BECAUSE IT WOULD INEVITABLY RAISE EXTREMELY DIFFICULT POLITICAL AND DIPLOMATIC PROBLEMS FOR GOJ. WE DO NOT THINK GOJ WOULD HAVE ANY EFFECTIVE WAY TO COMPEL NEC TO RELEASE SYSTEM PROMPTLY SINCE NEC UNDOUBTEDLY WOULD DO SO ONLY IF GOJ WOULD GUARANTEE AGAINST ITS LOSSES. WE FEEL THEREFORE THAT WE OUGHT TO TRY TO CONTINUE TO WORK WITH NEC ALONG THE FOLLOWING LINES:

A) IN VIEW OF SEVERE TIME CONSTRAINTS WE STRONGLY URGE THAT AT FIRST STAGE WASHINGTON AUTHORITIES PREVAIL UPON HYDRO PRODUCTS TO SEND NEC A TELEX IMMEDIATELY PROVIDING PLAUSIBLE GROUNDS WHICH NEC CAN PASS ON TO SOVIETS AND REQUESTING IMMEDIATE RETURN OF SYSTEM. THIS WILL GIVE NEC SOMETHING TO TELL SOVIET INSPECTORS, PERHAPS TO TELL THEM TO DELAY VISIT.

B) NEXT STEP WOULD BE FOR NEC TO BE GIVEN INFORMATION AS TO
SUBSTITUTE THAT CAN BE MADE AVAILABLE AND WHEN.

C) WE SHOULD FOR THE MOMENT DELAY REACTION TO NEC CONDITION
REGARDING GUARANTEE AGAINST LOSS AND ADDRESS THIS ISSUE WHEN
SOVIET REACTION EMERGES. THIS REACTION, OF COURSE, WILL DEPEND
IN PART AT LEAST ON WHETHER WE CAN SUPPLY A PLAUSIBLE
SUBSTITUTE. IF WE CANNOT, THEN WE WILL HAVE TO ADDRESS
QUESTION OF HOW FAR WE ARE WILLING TO GO TO COMPENSATE NEC
FOR ITS LOSSES.
(ARE THERE ANY PRECEDENTS INVOLVING US FIRMS THAT WE MIGHT
DRAW UPON?)

SECRET

SECRET

PAGE 04 TOKYO 12211 112324Z

7. WE WILL INFORM FOREIGN MINISTRY OF CURRENT SITUATION AND
AGAIN SOLICIT THEIR ADVICE.
MANSFIELD

SECRET

NNN

Message Attributes

Automatic Decaptioning: Z
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ACQUISITION, EQUIPMENT, OCEANOGRAPHIC RESEARCH
Control Number: n/a
Copy: SINGLE
Sent Date: 11-Aug-1977 12:00:00 am
Decaption Date: 22 May 2009
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977TOKYO12211
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: X3
Errors: N/A
Expiration:
Film Number: D770302-1173
Format: TEL
From: TOKYO
Handling Restrictions:
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770870/aaaachby.tel
Line Count: 139
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 0c42105c-c288-dd11-92da-001cc4696bcc
Office: ACTION SS
Original Classification: SECRET
Original Handling Restrictions: EXDIS
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: SECRET
Previous Handling Restrictions: EXDIS
Reference: 77 STATE 189640
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 12-Nov-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1626692
Secure: OPEN
Status: NATIVE
Subject: FORESTALLING ACQUISITION OF SOVIET DEEP SEA SEARCH CAPABILITY
TAGS: MARR, ESTC, TOCY, JA, US, UR
To: STATE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/0c42105c-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009